

APPROVE ENTERING INTO AN AGREEMENT WITH HEARTLAND PAYMENT SYSTEMS, INC FOR MEAL MANAGEMENT POINT OF SERVICE (POS) SYSTEM SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Heartland Payment Systems, Inc. to provide Meal Management - Point of Service (POS) System to the Department of Nutrition Support Services at a total cost not to exceed \$14,000,000. Vendor was selected on a competitive basis pursuant to Board Rule 7-2 (Specification No. 12-250062). A written agreement for Vendor's services is currently being negotiated. No services shall be provided by Vendor and no payment shall be made to Vendor prior to execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Specification Number : 12-250062

Contract Administrator : Flores, Miss Nanzi / 773-553-2273

VENDOR:

- 1) Vendor # 94689
HEARTLAND PAYMENT SYSTEMS, INC
90 NASSAU STREET, STE 200
PRINCETON, NJ 08542
Terry Roberts
480 289-2929

USER INFORMATION :

Contact:
12010 - Nutrition Support Services

125 South Clark Street 16th Floor

Chicago, IL 60603

Fowler, Mrs. Leslie A.

773-553-2830

TERM:

The term of this agreement shall commence upon execution and end five years thereafter. This agreement shall have three options to renew for periods of twelve months each.

EARLY TERMINATION RIGHT:

The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES:

Vendor shall provide meal management software, hardware, training and support for all Chicago Public Schools, charter schools, departments, and area offices on all modules listed below.

DELIVERABLES:

The vendor shall provide, at a minimum, the following modules; specific requirements for each section are detailed further in this scope of service:

Priority 1 Modules

- a. Section 1: Point of Service (POS)
- b. Section 2: Free and Reduced Application Management, Online and Scanning
- c. Section 3: Online Payment/Account Management and Parent Portal Site Integration
- d. Section 4: Menu Planning/Nutrition Analysis
- e. Section 5: Central /Back Office Reporting and Claim Reimbursement Management

Priority 2 Modules

- a. Section 6: Temp/Pool Staff Management
- b. Section 7: Inventory Management
- c. Section 8: Production Log
- d. Section 9: Sending and Receiving Schools Food Management
- e. Section 10: Catering Management
- f. Section 11: E-Controls/Asset Management

The vendor will provide hardware for the project in year 1 and year 2, and will provide software licenses and support services for the term of the contract on an annual basis.

OUTCOMES:

Vendor's services will result in providing a Meal Management - Point of Service (POS) System for the district. The system will provide accurate meal transaction records of school meals served, in compliance with USDA rules and regulations, as well as keeping track of all food inventory at school sites, helping in the process of tracking and collecting funds for unpaid student meals and providing valuable performances-based reporting on food service, participation rates, labor, etc., thus increasing department efficiency overall. The system will also help identify students with food allergies at the time of meal service, will allow parents/guardians to submit online Free and Reduced-Price Meal Applications and deposit money online for their students' future meals, as well as parent access to view healthy menus and nutrition information.

COMPENSATION:

Vendor shall be paid as follows: Upon invoicing and satisfactory completion of tasks detailed in the contract scope, based upon the price assigned each deliverable. In addition, the vendor shall be also paid an annual fee for software license and support services. The total compensation payable to Heartland Payment Systems, Inc. shall not exceed the sum of \$14,000,000.

REIMBURSABLE EXPENSES:

None

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize Chief Procurement Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

This agreement is in full compliance with the goals required by the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts. The MBE/WBE goals for this agreement include 25% total MBE and 5% total WBE participation.

The vendor has identified the following:

Total MBE - 25%

Solai & Cameron
2335 N. Southport Avenue
Chicago, Illinois 60614
Contact: Maller Solai

Total WBE - 5%

AAR & Associates, Ltd.
509 W. 38th Street
Chicago, Illinois 60609
Contact: Arabel Rosales

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Parent unit: 12000 (Nutrition Support Services)
Charge to Nutrition Support Services \$14,000,000:
(i) Various capital funds: \$11,000,000 (FY11, FY13, FY14); and
(ii) Fund 312: \$3,000,000 (FY16, FY17, FY18).
Future year funding is contingent upon budget appropriation and approval

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



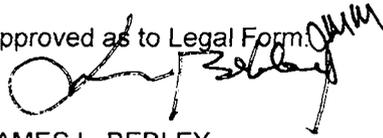
SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



BARBARA BYRD-BENNETT
Chief Executive Officer

Approved as to Legal Form:



JAMES L. BEBLEY
General Counsel